

Sinking machines

In Hillis and Handler, Thinking Machines had creative founders – and the seeds of financial ruin

By Aaron Zitner
GLOBE STAFF

CAMBRIDGE – He drove a fire truck. She drove a Jaguar.

Danny Hillis: chipmunk cheeks, straggly hair, a computer guru in sneakers and a tee shirt. Sheryl Handler: power suits, powerful connections, charisma that opened the wallets of influential investors.

He designed a super-fast com-

puter that would shake the entire industry. She made it the centerpiece of a \$90 million pioneer called Thinking Machines Corp. Turning out the world's speediest computers, they drew gobs of media attention, million-dollar government contracts and a list of high-profile friends, including Al Gore, the physicist Richard Feynman and CBS television chiefs William Paley and Frank Stanton.

In their differences, Hillis and Handler had just the right friction to push their small start-up into the top ranks of its industry.

Or so it appeared. Many insiders knew the story was far different.

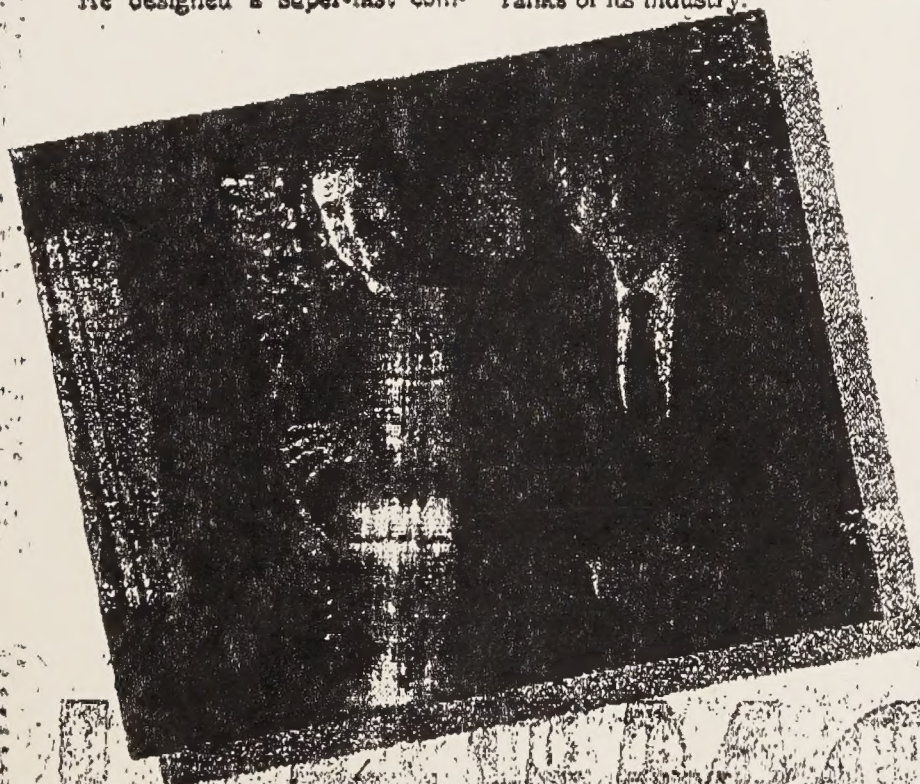
Starting in 1991, with Thinking Machines leading its competitors, Hillis and Handler turned on each other and tried to control the company alone, former colleagues say. The tension that drove the team in its early days eventually tore it apart – and Thinking Machines along with it.

On Aug. 17, the privately held company staggered into federal bankruptcy court seeking Chapter 11 protection from creditors. After changing the way giants like IBM design big computers, Thinking Machines says it will quit the hardware business and will try to survive as a software company, if creditors and the court give it that chance. One-third of its 425 employees have lost their jobs, and 85 more layoffs are planned, company officials say.

"If I had to lay blame, it would begin almost Day One with Sheryl Handler," says O. Gordon Bell, the legendary computer designer and an early Thinking Machines investor. "Sheryl had no business experience running anything, Zippo."

"She had one attribute," says Bell, 60. She could persuade "a bunch of old men to give her all the money to get the thing started."

"She wanted to live like the very top of IBM lives. It was clear to me they were living on a champagne appetite," says Stanton, the former



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